

TESTIMONY
Appropriations Committee Public Hearing
March 2, 2011
Hannah Jurewicz, Senior Director
Dungarvin CT, LLC

H.B. No. 6380 AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING
JUNE 30, 2013.

DDS COST SETTLEMENT *(eliminated)*

Sec. 26. (*Effective July 1, 2011*) For all allowable expenditures made pursuant to a contract subject to cost settlement with the Department of Developmental Services by an organization in compliance with performance requirements thereof, one hundred per cent of the difference between actual expenditures incurred and the amount received by the organization from the Department of Developmental Services per such contract shall be reimbursed to the Department of Developmental Services during the fiscal year ending June 30, 2012, and the fiscal year ending June 30, 2013.

Good Afternoon Senator Harp, Representative Walker, and other members of the Appropriations Committee. My name is Hannah Jurewicz and I am the Senior Director of Dungarvin CT. Dungarvin provides residential and day services for individuals with intellectual and related disabilities throughout the state.

I am here today in strong opposition to provisions of:

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A section of this bill proposes to sever the community providers' lifeline to cover the staggering costs associated with the administrative burden of existing and new mandates. It inhibits providers from protecting any reserves to cover funding lapses and shortfalls; from being able to address unforeseen operating expenses and service provision needs incurred beyond what DDS has consented to cover within its contract conditions. The cost settlement agreement that

currently exists serves to incentivize providers to seek out cost efficiencies in order to utilize unspent funding to cover necessary but unreimbursed expenses. Removing this agreement by passing this bill will remove this cost-containment, cost-reduction strategy. This language does not serve the budget crisis, but intensifies it.

According to DDS, the actual amount of cost settlement is decreasing. While DDS is in the process of calculating FY10, cost settlement revenue was approximately \$1.9 M in FY09, a significant decrease from \$4 M from previous fiscal years. This suggests these funds are necessary and have been utilized to address DDS approved, but unfunded costs.

Private providers operate on staggeringly restrictive budgets while providing services to over 500,000 of our most vulnerable residents at a significantly reduced cost than the State-operated services. We accomplish this with equal or superior quality as measured by Federal and State standards. Services, such as ours, enable people who would otherwise be housed in cost-prohibitive institutions or state facilities to live in communities, truly integrated, contributing to the neighborhoods and local commerce as productive citizens. Community Providers are a significant part of the solution to the financial crisis.

We urge you to oppose this provision of the bill and champion a more fiscally sound approach to identifying cost-containment strategies within the Health and Hospitals Committee. Private providers have already and will continue to demonstrate our partnership with all State agencies to identify cost saving means to operating and delivering effective services while maintaining high quality and safety. Community providers are a part of the fiscal solution. Let's continue to work together.

We thank you for your time and attention.

Hannah Jurewicz

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